Coal Industry News

COAL'S NATIONAL NEWSPAPER

Bi-weekly $2.00 | February 25, 1980 | Volume 4, Number 4

RECEIVED
FEB 27 1980

C 2350-1

V0034616106270OVA T
CONGRESSIONAL INFO SVC
MS JEANNE LONG 9999
7101 WISCONSIN AVE
WASHINGTON DC 20014

Decade of Coal:

Rahall Predicts Energy Program Passage in '80

By GENE SMITH
WASHINGTON

"The decade of the Eighties may well be the decade of coal."

That was the message Congressman Nick J. Rahall, II, Coal Industry News' "Coal Man of the Year" brought to the luncheon at the National Press Club where he received his award on Feb. 6.

A CINews Exclusive

He indicated to those present that there now seems to be a real awareness of coal on Capitol Hill and that there should be "the first real national energy program on the books by the end of this (Congressional) session."

However, Carl E. Bagge, president of National Coal Association, threw a damper on the proceedings when he reported that the "backout from oil (to coal) is going to be blocked by EPA" and that a serious fight is building up between EPA and the Energy Department.

J. Allen Overton, Jr., president of American Mining Congress, agreed with Bagge and promised to fight for coal in upcoming meetings with Energy Secretary Duncan.

Joseph P. Brennan, president of Bituminous Coal Operators' Association, insisted that productivity in the coal mines is improving and said that today's miners want security more than they look to strikes as the cure-all for the industry.

John Sullivan, administrator of Federal Railroad Administration, told the luncheon that there is today

(Continued on Page 16)

Consol Sets Aside Trophy Rooms For 500 Safety Award of 30 Years

GEORGETOWN, OHIO

Thirty years of safety accomplishments won't be forgotten by employees of Consolidation Coal Co.'s surface and underground mining operations in Ohio.

Nearly 500 safety awards dating to the 1940's have been assembled in two specially-designed trophy rooms at the Ohio surface operations headquarters at Georgetown. The awards were presented to employees of the Ohio operations from agencies ranging from the Industrial Commission of Ohio to the National Safety Council.

The impressive display of plaques, trophies, certificates and sculptures was assembled by Ralph Wilkerson, regional manager of safety, and Cecil Delloma,

(Continued on Page 16)

INSIDE THIS ISSUE. . .

ABANDONED COAL MINES in Pittston, Pa., area are spewing forth a deadly brew of chemical wastes, including cyanide, into the Susquehanna River. Indictments have been handed up. (Page 2)

THREE MILE ISLAND hasn't produced the rapid expansion in planned construction of coal-fired power plants that many expected despite the near halt in nuclear plant plans. (Page 4)

LATEST HIKE IN CANADIAN NATURAL GAS is causing Western natural gas distributors to take a serious look at construction of a $1.5-billion-plus coal gasification plant. (Page 5)

NAHCOLITE DEVELOPMENT is proceeding in Northwest Colorado with a potential of 130-million tons per year by 2000. It is the best dry chemical reagent for removing particulates and sulfur oxides from coal-fired boilers. (Page 6)

Program Hits Snag

'Oil Backout' Meets Strong EPA Opposition

By STUART MAGOWAN
WASHINGTON

Two Federal government decisions emanated from the Capitol almost simultaneously at mid-month — one which puts the conversion of utility boilers from gas and oil to coal in doubt, and another which, if it does

A CINews Exclusive

not make conversion easy, at least aids utilities in financing the move to coal.

The long-awaited proposed legislation to mandate conversion of "coal-capable" utility boilers from burning petroleum and natural gas to coal use has run into a major snag, as a result of infighting between the Department of Energy and the Environmental Protection Agency over whether any increases in sulfur emissions will be acceptable to encourage, or even to make feasible, increased burning of coal.

The controversial Carter administration proposal, dubbed the "oil backout program," apparently to avoid even the mention of coal in the plan's name, was to have been formally announced by the White House on February 19, in conjunction with release of the final report of the President's Commission on Coal.

However, the continuing battle between Energy Secretary Charles Duncan and EPA Administrator Douglas Costle over sulfur emissions standards for converted plants led the White House to cancel the planned announcement.

With EPA sticking rigidly to its

(Continued on Page 16)

CINews' Robert E. Bedingfield Surveys Coal Traffic Outlook

See Page 12

DOMESTIC

PRODUCTION	Latest	Previous	Yr Ago
Feb. 9, '80	Feb.9	Feb.2	Feb.10
Bituminous	13,905	14,260	13,205
Anthracite	80	105	93
RRcarloadings, Bitum	94,843	97,260	77,689
RRcarloadings, Anthra	242	337	298

Production in tons (ooo).
Carloadings in R.R. cars.
Source: U.S. Dept. of Energy, Coal Statistics Div.

By States (Bituminous and Lignite)

Eastern Feb. 9'80	Feb.2'80	Jan.26'80	Feb.3'79
Alabama	446	562	400
Georgia	2	10	10
Illinois	1,171	1,351	928
Indiana	498	501	466
Kentucky			
Eastern	1,717	1,777	1,427
Western	679	744	887
Total Ky.	2,396	2,521	2,314
Maryland	53	61	46
Ohio	744	729	773
Pennsylvania	1,851	1,837	1,655
Tennessee	230	197	175
Virginia	752	820	689
West Virginia	1,905	2,005	1,823
Total Eastern	10,433	11,000	9,559
Western			
Alaska	11	15	15
Arizona	221	243	306
Arkansas	12	10	8
Colorado	331	440	295
Iowa	13	11	11
Kansas	12	11	18
Missouri	103	106	81
Montana	628	1,645	413
New Mexico	234	304	214
North Dakota	276	334	225
Oklahoma	111	106	97
Texas	486	349	354
Utah	167	289	203
Washington	97	98	95
Wyoming	1,510	1,230	971
Total Western	4,534	4,092	3,335
Total United States	14,260	15,185	12,585

Source: Dept. of Energy, Energy Information Admin.: Weekly Coal Report

Work force Jan.'80

All employees	Latest	Previous	Yr.Ago
Coal mining	258.1	259.4	254.8
Bit. & lignite		256.4	251.8
Production employees			
Coal mining	214.7	216.2	214.4
Bit. & lignite		213.5	211.6
Workers in (000), preliminary			
Weekly Ave—Hrs.			
Coal mining	40.2	41.7	41.3
Bituminous & lignite		41.7	41.3

Earnings, hourly avg in $			
Coal mining	10.40	10.31	9.83
Bituminous & lignite		10.33	9.88
Earnings, weekly avg			
Coal mining	418.08	429.93	405.98
Bituminous & lignite		430.76	407.22

Source: Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings

TRANSPORTATION: RAILROAD

	Week ended Jan. 26		
Eastern district	Jan.26'80	Jan.5'79	Jan.27'79
Bessemer and Lake Erie	1,177	739	1,228
Baltimore and Ohio	4,034	3,198	2,983
Chesapeake and Ohio	10,950	9,526	8,108
Consolidated Rail Corp.	8,910	6,994	6,015
Illinois Terminal	—	—	—
Norfolk and Western	16,216	14,441	13,030
Pittsburgh & Lake Erie	390	265	369
Western Maryland	1,741	1,252	887
Other, eastern district	27	2	1
Total, eastern district	43,445	36,417	32,621
Southern district			
Clinchfield Railroad	1,606	1,426	1,247
Illinois Central Gulf	3,382	3,029	3,057
Louisville & Nashville	12,102	10,144	11,404
Southern Railway	6,873	5,046	5,081
Other, southern district	3	—	20
Total, southern dist.	23,966	19,645	20,809
Western district			
Atchison, Topeka & Santa Fe	1,372	802	1,000
Burlington Northern	20,457	19,641	11,167
Chicago & North Western	641	442	538
Denver & Rio Grande Wstrn	3,079	2,934	2,975
Kansas City Southern	105	82	91
Chicago, Milwaukee, St. Paul & Pac.	1,278	1,060	1,283
Missouri-Kansas-Texas	89	29	199
Missouri Pacific	3,852	2,872	1,571
Chicago, Rock Is. & Pacific	158	112	90
St. Louis-San Francisco	892	678	647
Soo Line	148	118	164
Union Pacific	4,303	2,973	2,557
Other, western district	11	2	107
Total Western district	36,385	31,745	22,389
Total, all districts	87,807	73,789	69,751

Railroad revenue freight loaded,
Source: Assoc. of Amer. Railroads, Car Service Division - Statement CS-54A.

Inland Rivers	Feb.16	Feb.9	Feb.17'79
Monongahela River, Lock 3	395,938	375,488	277,324
Allegheny River, Lock 2	36,000	48,000	12,600
Ohio River, Mntgmry Lock	312,100	281,550	142,500

In short tons through locks, week ended Feb. 16
Source: U.S. Army, Corps of Engineers

CONSUMPTION	Sept.79	Aug.79	Sept.78
Electric power Utilities	41,908	48,453	42,560
Bunker, foreign & lake vessel	1	1	1
Manufacturing & mining industries:			
Beehive coke plants	(a)	(a)	39
Oven coke plants	6,198	6,148	6,352
Steel & rolling mills	267	216	284
Other mfg. and mining industries including cement	4,439	4,481	4,164
Total, industrial	52,813	59,299	53,400
Retail deliveries	460	329	525
Total, all consumption	53,273	59,628	53,925

In short tons (000). (a) Included in oven coke plants.

User Stocks			
Electric power utilities	136,658	131,904	112,935
Manufacturing & mining industries:			
Oven coke plants	8,875	8,583	6,202
Steel & rolling mills	452	413	283
Other mfg. and mining industries including cement	7,145	6,741	5,922
Total, industrial	153,130	147,641	125,342
Retail dealer stocks	432	412	362
Total, all stocks of coal	153,562	148,053	125,704

In short tons (000),

Days' Supplies			
Electric power utilities	98	84	80
Manufacturing & mining industries:			
Oven coke plants	43	43	29
Steel and rolling mills	51	59	30
Other mfg. and mining industries including cement	48	47	43
Total, industrial	87	77	70
Retail dealer stocks	28	39	21
Total, all coal users	86	77	70

In days,
Source: U.S. Dept. of Energy, Energy Information Admin.: Weekly Coal Report

USERS' OUTPUT

Major direct users:	Latest	Previous	Yr.Ago.
Elec.Util.(Mil.Kw)Feb.9	47,546	47,975	48,482
Steel (short tons-000)			
Feb. 9	2,455	2,441	2,646
Cement, Portland, U.S. shipments			
Nov.'79	7,037,000	9,188,000	6,980,000
Other significant output:			
Aluminum, order receipts (Mil. lbs.)			
5-week moving aver. (week Dec. 28)	282	275	285
Annual rate Dec. 28	14,664	14,300	14,820
Motor vehicle production, Total (week Feb. 9)	177,089	191,984	262,574
Machine tools Nov. 79			
Net new orders	435,750	565,050	441,050
Shipments	348,550	380,050	274,400

Cement—month ended Aug. 79; Machine Tools—month ended Sept. 79.
Sources: Edison Electric Institute, American Iron & Steel Institute. U.S. Dept of Interior, Bureau of Mines, Div. Nonmetallic Minerals, Aluminum Association, Motor Vehicle Manufacturers Assoc., National Machine Tool Builders Assoc.

Price Indexes Dec'79	Latest	Previous	Yr.Ago
Anthracite	457.8	455.4	442.7
Chestnut, Pa. mine	423.7	418.6	408.2
Buckwheat No. 1, Pa. mine	381.1	372.6	364.6
Bituminous coal	480.4	479.6	466.2
Domestic sizes	457.9	455.6	442.8
Retail dealers	577.6	581.4	573.1
Industrial sizes, spot	273.3	275.0	271.1
Steam electric util.	394.5	394.4	401.6
Manufacturing	119.4	118.7	122.9
Metallurgical, high volatile	249.4	250.2	253.7
Metallurgical, low & medium volatile	706.2	706.2	715.9
Industrial sizes, contract	703.6	706.6	709.9
Steam Electric Utility	129.5	128.6	123.3
Manufacturing	150.6	148.9	138.2
Metallurgical, high volatile	116.8	116.8	115.1
Coke (Foundry by-product)	104.4	104.4	105.2
Birmingham, Ala.	431.2	431.2	418.8
Milwaukee, Wis.	439.6	439.6	419.0
Detroit, Mich.	420.4	420.4	405.9
Indianapolis, Ind.	427.4	427.4	415.8
St. Louis, Missouri	437.7	437.7	424.2
Philadelphia, Penna.	286.8	286.8	277.8
	285.8	285.8	276.8

Prices for month of Aug. '79 for Anthracite & Bituminous Coal.
Index Bases: For Retail Dealers—Dec. '75=100; For Industrial Sizes—Spot; All Metallurgical & Coke (foundry by-product)—1967=100; Steam Elec. Util.—Dec. '73=100.
Source: U.S. Dept. of Labor: Producer Prices and Price Indexes.

Abbreviations

DOE — Dept. of Energy
EIA — Energy Information Admin.
AAR — Assn. of American Railroads
EEI — Edison Electric Institute
MVMA — Motor Vehicle Mfrs. Assn.
COE — Corps of Engineers
Bit. — Bituminous
Lig. — Lignite
Ant. — Anthracite

(IMPORTS)

U.S. ELECTRIC UTILITY PLANTS
Fuel Prices in Cents per Million British Thermal Units
Steam-Electric Plants, Monthly Purchases - Average

	Fuel	Latest	Previous	Yr.Ago.	Change 6/78 to 6/79
U.S. TOTAL JUNE 1979	Coal	121.8	123.4	112.0	+ 8.8%
	Oil	300.0	277.7	212.7	+41.0%
	Gas	179.3	177.2	149.3	+20.1%
NEW ENGLAND	Coal	155.2	152.7	155.3	— 0.1%
	Oil	293.6	272.7	192.5	+52.5%
	Gas	263.1	250.1	185.8	+41.6%
MIDDLE ATLANTIC	Coal	122.8	120.4	125.0	— 1.8%
	Oil	306.1	279.9	207.1	+47.8%
	Gas	204.7	192.5	171.5	+19.4%
EAST NORTH CENTRAL	Coal	130.6	131.4	117.6	+11.1%
	Oil	342.3	320.0	264.0	+29.7%
	Gas	232.5	247.1	200.1	+16.2%
WEST NORTH CENTRAL	Coal	106.9	100.6	91.6	+16.7%
	Oil	317.7	384.5	206.3	+54.0%
	Gas	146.1	147.1	118.8	+23.0%
SOUTH ATLANTIC	Coal	138.0	139.0	129.2	+ 6.8%
	Oil	312.8	270.7	199.1	+57.1%
	Gas	126.5	123.5	105.2	+20.2%
EAST SOUTH CENTRAL	Coal	131.8	132.7	118.3	+11.4%
	Oil	238.1	231.8	195.0	+22.1%
	Gas	185.9	195.0	150.9	+23.2%
WEST SOUTH CENTRAL	Coal	99.8	89.9	68.6	+45.5%
	Oil	249.8	242.8	196.7	+27.0%
	Gas	168.5	169.2	140.1	+20.3%
MOUNTAIN	Coal	69.3	97.8	50.3	+37.8%
	Oil	309.6	284.3	213.6	+44.9%
	Gas	199.3	193.0	153.7	+29.0
PACIFIC	Coal	84.6	83.0	78.8	+ 7.4%
	Oil	283.4	277.8	261.0	+ 8.6%
	Gas	238.7	225.8	213.4	+11.9%

Source: U.S. Dept. of Energy, Energy Information Administration, Asst. Administrator for Energy Data — Cost and Quality of Fuels for Electric Utility Plants

COAL IMPORTS	Nov. 1979	Oct. 1979	Nov. 1978	Nov. 1979	Oct. 1979	Nov. 1978	Nov. 1979	Oct. 1979	Nov. 1978
Bituminous Coal									
Australia	—	—	—	—	—	—	—	—	—
Canada	1,236	6,260	3,326	28,840	127,817	57,365	23.33	20.42	17.25
Poland	31,305	—	—	973,595	—	—	—	—	—
South Africa	58,034	26,300	57,921	1,168,800	526,000	1,145,094	20.14	20.00	19.77
Other nations	—	55	—	—	1,953	—	—	—	—
Total, Bitu Coal	90,625	32,615	61,247	2,171,235	655,770	1,202,459	23.96	20.11	19.63
Coke suitable for fuel									
Asia, Africa, Oceania									
Japan	83,018	96,664	44,808	6,562,376	7,961,725	3,402,738	79.05	82.36	75.94
Other nations	—	5,511	—	—	663,850	—	—	120.46	—
Total, Asia etc	83,018	102,175	44,808	6,562,376	8,625,575	3,402,738	79.05	84.42	75.94
Europe									
Belgium	—	18,165	19,931	—	1,685,018	3,132,182	—	92.76	157.15
France	—	15,859	—	—	1,505,896	—	—	94.96	—
Germany F.R. (West)	76,403	123,293	388,147	7,393,737	11,184,210	31,819,836	96.77	90.71	81.98
Italy	—	—	36,771	—	—	3,135,502	—	—	85.27
Norway	—	20	—	—	1,478	—	—	73.90	—
United Kingdom	—	26,163	17,116	—	2,511,176	1,098,175	—	95.98	64.16
Other nations	—	—	—	—	—	—	—	—	—
Total, Europe	76,403	183,500	461,965	7,393,737	16,887,778	39,185,695	96.77	92.03	84.82
Western Hemisphere									
Argentina	—	—	48,115	—	—	1,360,658	—	—	28.28
Canada	10,324	14,278	11,477	786,956	934,607	794,406	76.23	65.46	69.22
Other nations	—	—	—	—	—	—	—	—	—
Total, West Hemis	10,324	14,278	59,592	786,956	934,607	2,155,064	76.23	65.46	36.16
Total, all nations	169,745	299,953	566,365	14,743,069	26,447,960	44,743,497	86.85	88.17	79.00
Compositions for fuel									
Canada	1,240	1,033	2,107	37,595	31,174	58,730	30.32	30.18	27.87
Japan	—	—	—	—	—	824	—	—	—
Mexico	—	—	13	—	—	1,000	—	—	76.92
Other nations	—	—	—	—	—	—	—	—	—
Total, Comp.	1,240	1,033	2,120	37,595	31,174	60,554	30.32	30.18	28.56
Coal, other, and lignite									
Australia	57,668	—	58,033	2,025,029	—	1,648,391	35.12	—	28.40
Canada	3,696	2,221	7,047	101,482	64,806	164,975	27.46	29.18	23.41
France	—	—	—	—	—	—	—	—	—
Germany, F.R. (West)	—	—	20	—	—	1,762	—	—	88.10
Poland	57,709	—	582,900	1,875,533	—	3,854,100	32.50	—	6.61
Other nations	—	—	—	—	—	—	—	—	—
Total, Coal, other	119,073	2,221	648,000	4,002,044	64,806	5,669,228	33.61	29.18	8.75

NOTE

ONLY THE FOLLOWING PAGES OF THIS PUBLICATION

HAVE BEEN FILMED

~~p. 1,~~ 19.